

DATE: September 12, 2013

TO: Board Members of the Iowa Lottery Authority

FROM: Brenda Nye, Chief Financial Officer

Attached are the financial statements for August 2013. During August, we had revenue of \$27,669,221. This sales level resulted in \$6,789,813 of proceeds payable to the State General Fund and \$422,439 of proceeds payable to the Veterans Trust Fund.

Attachments

IOWA LOTTERY AUTHORITY
SCHEDULE OF ECONOMIC BENEFITS

August 31, 2013

Proceeds to Iowa Plan		\$170,318,439
Proceeds to CLEAN fund		\$35,894,355
Proceeds to Special Appropriations		\$13,773,572
Proceeds to Gambler's Treatment Program		15,732,208
Proceeds to the State General Fund:		
Prior to Fiscal Year 2014	\$1,231,172,262	
Fiscal Year 2014		
Transferred	0	
Payable	12,608,212	
		1,243,780,474
Proceeds to the Veterans Trust Fund:		
Prior to Fiscal Year 2014	\$13,396,520	
Fiscal Year 2014		
Transferred	0	
Payable	585,621	
		13,982,141
Total		\$1,493,481,189

IOWA LOTTERY AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE MONTH AND YEAR ENDED AUGUST 31, 2013

	Month ended August 31, 2013	Month ended August 31, 2012	Year-to-date August 31, 2013	Year-to-date August 31, 2012
OPERATING REVENUES				
Instant-scratch ticket sales	\$15,076,842	\$15,439,168	\$31,022,773	\$29,966,247
Pick 3 sales	587,250	564,238	1,131,719	1,125,238
Powerball sales	8,180,425	7,556,534	13,594,898	12,263,370
Mega Millions sales	996,986	1,253,041	1,926,890	2,414,773
Hot Lotto sales	837,347	758,449	1,998,568	1,796,105
Pick 4 sales	261,992	244,962	509,820	485,988
\$100,000 Cash Game sales	385,919	380,090	761,597	745,040
Pull-tab sales	1,341,857	1,473,752	2,767,663	2,875,630
Application fees	225	250	675	600
Other revenue	378	4,580	4,421	5,497
Total operating revenues	27,669,221	27,675,064	53,719,024	51,678,488
OPERATING EXPENSES				
Scratch ticket prize expense	9,525,497	9,520,983	20,152,621	19,137,925
Pick 3 prize expense	341,853	332,923	659,784	664,653
Powerball prize expense	3,964,224	3,721,943	6,621,735	6,023,281
Mega Millions prize expense	495,855	635,317	955,300	1,222,139
Hot Lotto prize expense	408,700	320,038	964,521	826,543
Pick 4 prize expense	154,140	146,667	295,152	283,818
\$100,000 Cash Game prize expense	206,421	203,482	407,537	398,323
Pull-tab prize expense	841,308	921,301	1,738,351	1,799,731
VIP Club prize expense	0	165,162	0	331,233
Promotional prize expense	6,938	10,232	92,378	16,110
Advertising/publicity	563,577	539,961	1,131,585	1,113,949
Retailer compensation expense	1,751,998	1,777,517	3,402,110	3,303,140
Ticket expense	265,325	232,568	574,102	459,561
Vendor compensation expense	553,080	566,022	1,087,541	1,055,628
Salary and benefits	821,428	847,577	1,674,826	1,650,640
Travel	46,287	40,786	81,030	74,603
Supplies	20,504	4,523	29,028	25,451
Printing	5,695	0	5,927	312
Postage	290	465	533	761
Communications	9,502	10,594	20,957	20,367
Rentals	26,813	24,705	52,860	50,370
Utilities	5,965	7,317	13,505	14,766
Professional fees	10,197	4,640	13,790	7,964
Vending machine maintenance	47,052	44,691	94,103	89,509
Outside services and repairs	46,381	25,662	84,024	49,412
Data processing	7,036	4,227	15,046	8,142
Equipment	7,099	27,751	17,609	35,411
Reimbursement to other				
state agencies	27,172	27,356	55,397	54,854
Depreciation	24,340	20,283	48,680	40,566
Other	5,471	3,135	8,523	7,154
MUSL administrative expense	8,867	0	8,867	0
Total operating expenses	20,199,015	20,187,828	40,307,422	38,766,316
Operating income	7,470,206	7,487,236	13,411,602	12,912,172

IOWA LOTTERY AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE MONTH AND YEAR ENDED AUGUST 31, 2013

	<u>Month ended August 31, 2013</u>	<u>Month ended August 31, 2012</u>	<u>Year-to-date August 31, 2013</u>	<u>Year-to-date August 31, 2012</u>
Non-operating revenues (expenses)				
Proceeds deposited to:				
State General Fund	(6,789,813)	(6,687,662)	(12,608,212)	(11,998,286)
Veterans Trust Fund	(422,439)	(450,192)	(585,621)	(719,054)
Interest income	169	0	169	0
Interest expense	<u>0</u>	<u>(3,010)</u>	<u>0</u>	<u>(6,020)</u>
 Net non-operating revenues (expenses)	 <u>(7,212,083)</u>	 <u>(7,140,864)</u>	 <u>(13,193,664)</u>	 <u>(12,723,360)</u>
 Change in net position	 258,123	 346,372	 217,938	 188,812
 Net position, beginning of period	 <u>6,243,994</u>	 <u>5,038,400</u>	 <u>6,284,179</u>	 <u>5,195,960</u>
 Net position, end of period	 <u><u>\$6,502,117</u></u>	 <u><u>\$5,384,772</u></u>	 <u><u>\$6,502,117</u></u>	 <u><u>\$5,384,772</u></u>